

**AMIR II Status of CRM Component  
and Proposed Activities for 2003 - 2005**

Final Report  
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## Abstract

This report lays out proposed activities for 2003-2005 for the Customs Reform and Modernization subcomponent of the Private Sector Policy Initiative of the AMIR Program. The proposed work plan takes into account a budgetary shortfall and a three-month absence of in-country delivery of technical assistance due to the evacuation of expatriate staff during political unrest in the Middle East. This brief presents activities to overcome the loss of momentum for the program and return some remote components to prior full capacity. As requested by USAID, greater priority is given to intelligence, security, and border control while maintaining the major elements of the commercial reengineering that remain central to the broader AMIR goals of economic development.

## **ABBREVIATIONS AND ACRONYMS**

AMIR	Achievement of Market-friendly Initiatives and Results Program
ASEZA	Aqaba Special Economic Zone Authority
CRM	Customs Reform & Modernization
JISM	Jordan Institute for Standards and Metrology
USAID	United States Agency for International Development

## **Table of Contents**

Data Page .....	2
Abstract.....	3
Abbreviations and Acronyms.....	4
Table of Contents.....	5
AMIR II Status of CRM Component and Proposed Activities for 2003 - 2005.....	6

## **AMIR II Status of CRM Component and Proposed Activities for 2003 - 2005**

### **Report for USAID April 2003**

#### **1. Background**

Customs Reform and Modernization (CRM) is one of four subcomponents of the Private Sector Reform Initiative (PSPI) of the AMIR Program. Its objective is to help Jordan's Customs Department to efficiently collect the correct revenue at minimum cost to the private sector. Substantial work has already been completed in this area. During 2002 and early 2003, the CRM subcomponent contributed to the achievement of this goal by developing detailed short-term and longer-term strategic plans for critical areas of customs operations. At the request of USAID, technical assistance was also provided on several occasions to the Aqaba Special Economic Zone Authority (ASEZA) project in Aqaba. Resource sharing (training, data and equipment) with the Ministries of Health, Agriculture, Jordan Institute for Standards and Metrology (JISM) and with ASEZA's customs and tax capacity to maximize efficient delivery will extend to include the coordination of support with other donors.

Assistance under the CRM subcomponent is divided into two main areas: institutional development and information technology (IT) solutions. Institutional development is the larger part focusing the institutional and strategic framework, and also addresses critical technical issues.

Despite the strong early successes of the program, the evacuation of expatriate staff in February/March 2003 and the impact of a dramatically reduced budget for the period to September 2003 have caused a hiatus in the delivery of the subcomponent. USAID has further requested that the subcomponent give greater priority to the areas of intelligence, security and border control identifying the desirability for the subcomponent manager to be a US citizen.

These requirements have been taken into account when formulating proposals.

#### **2. Status of Activities to April 2003**

The original 2003 PSPI Work Plan included an extensive CMR component that was holistic in nature covering a broad range of customs planning and training. This was subsequently amended in light of budgetary revisions and the changed political situation in the region. In January and February 2003, components had been delivered for intelligence, customs risk management and transits, Customs Centre of Excellence, customs competencies and legislation development. Additionally the hand-over of the component manager's position between Glenn Wood and John Lewis had taken place. Planned activities for that period covering customs import/export development and IT solutions were deferred pending stabilization of the regional political situation.

In January and February a substantial budgetary shortfall required a redrafting of the Work Plan for the period to September 2003. At this time there has been effectively no in



country delivery of CMR components since early February 2003. This brief makes proposals later to overcome the loss of momentum for the program by providing some remote components prior to returning to full capacity.

Since the evacuation of expatriate staff in February USAID has identified a need to change priorities for the subcomponent through greater priority for intelligence/security/border control and this has also been addressed in proposals still trying to maintain the major elements of the commercial re engineering that were central to the broader AMIR goals of economic development.

### **3. Proposed Activities**

Proposed activities have been broken down into two areas, the period from now until September 2003 and the period from October 2003 to the completion of the program. In saying this it should be recognized that the latter period may need to be readdressed in the light of available funding and resources and the potential reassessment of subcomponent effectiveness following the appointment of a new manager.

#### **3.1 To September 2003**

LOE/F/Customs Risk Management	10 days	
LOE/F/Develop Intelligence Analyst Course	7 days	
LOE/F/IT Solutions - Support Project Development	10 Days	
LOE/F/Develop Border Management Program	10 days	
LOE/F/Customs Reform Modernization	9 days	Day 8
LOE/F/Customs Intelligence 3	20 days	Day 11
LOE/F/Customs RM and Transits 3	10 days	Day 11
LOE/F/Centre of Excellence 2&3	10 days	Day 11
LOE/F/Customs IT Solutions	20 days	Day 40
LOE/F/Customs Intelligence 3	20 days	Day 55
LOE/F/Customs RM and Transits 3	13 days	Day 57
LOE/F/Centre of Excellence 2&3	10 days	Day 60
LOE/F/Legislation Development Phase 3	10 days	Day 80

This is a prioritized work schedule that identifies work that can and should be carried out in preparation for a return to full capacity in Jordan together with a plan for the first 90 days of work after that date.

Changed priorities have been addressed although efforts have been made to maintain as much of the initial structure of the subcomponent as possible.

The new priorities will impact on the short-term program delivery in some areas in particular the commercial area given the budget limitations.

It is also an important consideration that the projects that are selected are broadly compatible with similar programs in ASEZA given the commonality of interest between the two bodies. It is also far more cost effective to be able to coordinate visits.

Some of the tasks have been identified as suitable to be carried out from outside Jordan and this is seen as desirable in maintaining the visibility of the program in the short to medium term.

- Risk management training is a remotely delivered program developed to establish a capability (in the form of two or three individuals within the organization) to take responsibility for the development and dissemination of risk management. The consultant will remotely instruct them on forming the unit, developing policy, getting agreement on the methodology, organisation-wide definitions and thresholds and the delivery of awareness sessions to all staff. . If successful it will be suitable to apply to a number of CRM components with significant benefits to the program including time and cost savings. This proposal has already been approved by ASEZA for delivery to Zone Customs.
- The work on enforcement and intelligence will allow those programs to be delivered immediately the program recommences in Jordan. IT will support the development of those programs and undertake any necessary R&D necessary to support them.
- The tasks to be subsequently carried out in Jordan are self explanatory although they will need to be supported by locally employed staff in the periods leading up to and after a return. It is (for example) very important that Customs is able and willing to commit time and resources to supporting the programs. It is also extremely important that the Intelligence Cell recruitment goes ahead now as planned so that the necessary staff are in place at the right time.

### **3.2 October 2003 Onward**

Note: It is important to address the key elements of:

- Governance
- Business processes and systems
- Capability
- Performance management

#### **Governance**

This refers to the establishment of a sound organisation that is well managed and is able to demonstrate effective delivery of service.

Ref	Component	Activity	Estimated LOE	When
1	Strategic Planning	Install a Strategic Planning method which is annual, cascades down the levels, with templates available on the LAN	12 days	October 03
2	Organisational Structure	Review of structure. This may be necessary as the result of re-engineering of core business processes	10 days	October 03

3	HRM	Redesign of (at least some) jobs to meet re-engineered business processes Develop job descriptions Develop benchmark competency standards	80 days	January to March 04
4	Leadership	Manager Development Program	2 facilitators x 20 days	December 03
5	Organisational Culture	Review and strengthen organisational culture including values	10 days	October 03
6	Legislation	Develop a Legislation management Process	10 days	October 03
7	Industry and Business Liaison	Establish Industry Advisory Group Establish a Customs Advisory Service Establish a Client Feedback System	30 days	January to July 04
8	Quality Management	Establish a Quality Management System	20 days	June 04
9	Broker Management	Review the performance of Customs Brokers Review and strengthen Broker Licensing System	30 days	December 03

### **Business Processes and Systems**

This refers to the re-engineering of key business systems and processes.

Ref	Component	Activity	Estimated LOE	When
1	Border Management System	Develop a strategic approach to the management of the Border. Develop a Strategic Compliance Management Method underpinned by Risk Management Develop a Cargo Management System	60 days	January to September 04
2	Commercial	Develop a strategic approach to Commercial Develop a Strategic Compliance Management method underpinned by Risk Management Establish Industry Groups	60 days	January to September 04
3	Intelligence	Develop an Intelligence capability at the Strategic, Operational and Tactical levels. Conduct Intel Analyst Training Conduct Management of Intel Training	60 days	October 03 to March 04
4	Risk Management	Continue the development of Risk Management method throughout Customs Develop a Risk Management Co-ordination Unit	20 days	October 03 to January 04
5	Security	Develop a CSI system Incorporate the use of Container XRay	30 days	October 03 to March 04
6	Compliance Management	Develop a strategic approach to Compliance Management including inspection, auditing, investigation and prosecution	20 days	January to July 04
7	Post Entry Audit System	Develop a Systems Based Audit methodology	40 days	January to

		including legislation, policy and procedures Deliver two Audit training sessions		August 04
8	Imports/Exports	Develop an integrated import/export system complete with security	30 days	November 03 to June 04
9	Warehouses	Develop/Refine a Warehouse Management System Develop a Warehouse Licensing System	30 days	January 04
10	IT	Noted that IT is a separate component but there must be integration between projects	60 days	November 03 to October 04

### **Capability**

This refers to the development of competence by staff.

Ref	Component	Activity	Estimated LOE	When
1	Training	Develop a Training, Education and Professional Development Program and integrate into Customs Training Institute	150 days	October 03 to October 04
2	Training Institute	Partner with a suitable international institute	20 days	October 03
3	Train-the-Trainer	Skill selected staff to be trainers	30 days	January 04
4	Mentor Training	Skill selected staff to be workplace mentors	10 days	February 04
5	Broker Training	Design, develop and Deliver a Broker Training Program	20 days	February 04
6	Training	Deliver priority training Audit Investigation Compliance Management etc	100 days	January to October 04

### **Performance Management**

This relates to the development of a performance focus by the organisation.

Ref	Component	Activity	Estimated LOE	When
1	Kyoto Assessment	Develop a self assessment instrument and determine Jordan Custom's level of compliance	30 days	July to October 04
2	Performance Assessment	Develop a Performance Assessment Feedback System for Staff	30 days	February 04
3	Evaluation	Design and implement evaluation processes	30 days	January to July 04

### **Project Management**

This involves bringing staff especially those involved directly in the Customs Reform and Modernisation Program up to skill in key areas.

<b>Ref</b>	<b>Component</b>	<b>Activity</b>	<b>Estimated LOE</b>	<b>When</b>
1	Project Management	Establish a standard approach to Project Management Conduct training in Project Management	20 days	October 03
2	Change Management	Establish a standard approach to Change Management Conduct training in Change Management	20 days	October 03
3	Business Process Re-engineering	Establish a standard approach to BPR Conduct training in BPR	20 days	October 03

There is need to identify funds for the following:

Access by ten officers to Graduate Certificate in Customs Administration \$US40,000

Access to training materials \$US60,000

Study tour to Australia by key technical people \$US40,000